Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

UNCLASSIFIED

PAGE 01 DACCA 02265 290848Z
ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-08 L-03 /028 W
----------292044Z 046235 /44
R 290419Z APR 77
FM AMEMBASSY DACCA
TO SECSTATE WASHDC 4435

UNCLAS DACCA 2265

E.O. 11652 : N/A
TAGS : EFIN, OPIC, BG
SUBJECT : BELBAGCO

REF : STATE 071498

1. THERE FOLLOWS COMPLETE TEXT OF LETTER DATED APRIL 12, 1977 FROM ZAINUL ABEDIN EXPRESSING BDG CONCERN REGARDING DRAFT AGREEMENT OF SETTLEMENT: QUOTE DEAR MR. BORN, PLEASE REFER TO MY LETTER OF THE 2ND APRIL 1977 CONCERNING OPIC/BELBAGCO'S CLAIM FOR COMPENSATION. WE HAVE SINCE EXAMINED THE DRAFT 'AGREEMENT OF SETTLEMENT'. IT APPEARS THAT THERE HAS BEEN A SERIOUS MISUNDERSTANDING IN THE MATTER.

IT HAS BEEN A CONSISTENT STAND OF OUR GOVERNMENT THAT THE ASSETS OF THE PAKISTAN FABRICS COMPANY LTD. HEREINAFTER REFERRED TO AS THE 'FABRICS' HAVE VESTED IN THE GOVERNMENT UNDER P.O. 16 OF 1972. ITS SHARES HAVE NOT AND COULD NOT BE VESTED IN THE GOVERNMENT UNDER THAT ORDER OR ANY LAW IN FORCE AS THE 'FABRICS' IS A PAKISTANI COMPANY AND THE STATUS OF ITS SHARES IS IN PAKISTAN. THE QUESTION OF PAYMENT OF ANY COMPENSATION FOR THOSE SHARES UNDER ANY LAW DID NOT ARISE, THEREFORE, AS WE INFORMED YOUR AMBASSA-DOR VIDE OUR LETTER OF JUNE 25, 1976.

OUR GOVERNMENT SUBSEQUENTLY CONSIDERED THAT BELBAGCO HAD HUNDRED PERCENT BENEFICIAL INTEREST IN THE 'FABRICS'
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 DACCA 02265 290848Z

AND THE TAKING OVER OF ITS ASSETS UNDER P.O. 16 OF 1972 HAVE CAUSED LOSS TO THE COMPANY OF OUR FRIENDLY COUNTRY. OUR GOVERNMENT ACCORDINGLY AGREED IN PRINCIPLE TO REPAIR THE LOSS OF THAT COMPANY TO THE EXTENT OF THE ASSETS ACQUIRED BY THE GOVERNMENT.

WE HAVE EARLIER INFORMED YOU THAT THE 'FABRICS' HAD NET

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

ASSETS (TOTAL ASSETS MINUS LIABILITIES) WORTH TK.12,52,534
(TAKA TWELVE LACS FIFTY TWO THOUSAND FIVE HUNDRED AND
THIRTY FOUR) ONLY ON THE EVE OF ITS TAKING OVER BY THE
GOVERNMENT. WE ALSO EXPRESSED OUR INTENTION TO PAY THIS
AMOUNT IN THE LAWFUL CURRENCY OF BANGLADESH AS PER EXCHANGE
OF NOTES OF JANUARY 20, 1975.

WE HOPE THAT THE STAND OF OUR GOVERNMENT HAS NOW BEEN MADE
CLEAR TO YOU. YOU WILL APPRECIATE THAT THE 'DRAFT' PRESENTED
TO US BY THE OPIC THROUGH YOU WOULD NOW REQUIRE RECASTING IN
THE LIGHT OF THE FACTS STATED ABOVE.

ACCEPT MR. BORN, THE ASSURANCES OF MY HIGHEST CONSIDERATION."

2. THE BDG IS STILL CONCERNED OVER THE VALUE OF BANGLADESH
FABRICS' ASSETS AS OPPOSED TO THE VALUE OF SHARES IN PAKISTAN
FABRICS AT THE TIME OF TAKEOVER. THERE IS NO QUESTION CONCERN-
ING OWNERSHIP OF ALL OF THE SHARES OF THE COMPANY. THUS,
WHETHER THE CLAIM FOR COMPENSATION IS SATISFIED AS PAYMENT
FOR ASSETS OR FOR SHARES OF STOCKS APPEARS NOT TO BE TERRIBLY
IMPORTANT. THE AGREEMENT OF SETTLEMENT MAY BE CAST AS PAYMENT
FOR SHARES OR AS PAYMENT FOR ASSETS.

3. WE ARE SENDING BY POUCH BDG ANSWERS TO THE REQUEST FOR
INFORMATION SETFORTH IN PARAGRAPH 2 OF REFERENCE CABLE.

4. THE BDG IS READY TO NEGOTIATE SETTLEMENT OF THE CLAIM ON
THE BASIS OF TAKA 1,252,534.

UNCLASSIFIED

UNCLASSIFIED

PLEASE ADVISE US AS TO WHEN OPIC NEGOTIATORS CAN BE EXPECTED
IN DACCA.
MASTERS

UNCLASSIFIED

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, COMPENSATION, AGREEMENTS, DISPUTE SETTLEMENT, DIPLOMATIC NOTES
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DACCA02265
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770150-1017
Format: TEL
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977046/aaaaaekb.tel
Line Count: 100
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8d3bb2a5-c288-dd11-92da-001cc4696bcc
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 71498
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2813467
Secure: OPEN
Status: NATIVE
Subject: BELBAGCO
TAGS: EFIN, BG, OPIC, BELBAGCO INC
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/8d3bb2a5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009